

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**REQUIREMENTS VALIDATION FOR
TELECOMMUNICATIONS SERVICES -
PHILADELPHIA AREA**

Report No. 95-071

January 6, 1995

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Department of Defense

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Acronyms

CCSD	Command Communications Service Designator
DCS	Defense Communications System
DECCO	Defense Commercial Communications Office
DISA	Defense Information Systems Agency
DISD	Defense Information Services Database
RFS	Request for Service
TMSO	Telecommunications Management and Services Office
TSR	Telecommunications Service Request



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January 6, 1995

MEMORANDUM FOR DIRECTOR, DEFENSE INFORMATION SYSTEMS
AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit Report on Requirements Validation for Telecommunications
Services - Philadelphia Area (Report No. 95-071)

We are providing this final report for your review and comments. This audit resulted from a referral from the Defense Criminal Investigative Service. The report discusses termination opportunities for leased, long-haul, special-purpose telecommunications circuits. Management comments on a draft of this report were considered in preparing the final report.

Revised Defense Management Report Decision 918, "Defense Information Infrastructure," transferred the Defense Logistics Corporate Network to the Defense Information Systems Agency. On October 1, 1993, the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence), directed the Defense Information Systems Agency to integrate the Defense Logistics Agency Corporate Network into the Defense Information Systems Network. Accordingly, we revised Recommendation 3. and added Recommendation 4. A detailed explanation of the capitalization of the Defense Logistics Agency Corporate Network is provided in the Background section in Part II.

DoD Directive 7650.3 requires that all recommendations and monetary benefits be resolved promptly. We request that the Army, Defense Logistics Agency, and Defense Information Systems Agency provide comments on the final report by March 7, 1995.

The courtesies extended to the audit staff are appreciated. If you have questions on this audit, please contact Mr. Robert M. Murrell, Audit Program Director, at (703) 604-9506 (DSN 664-9506) or Ms. Annie L. Sellers, Audit Project Manager, at (703) 604-9520 (DSN 664-9520). The distribution of this report is listed in Appendix G. The audit team members are listed inside the back cover.

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Office of the Inspector General, DoD

Report No. 95-071
(Project No. 4RD-5033)

January 6, 1995

REQUIREMENTS VALIDATION FOR TELECOMMUNICATIONS SERVICES - PHILADELPHIA AREA

EXECUTIVE SUMMARY

Introduction. This audit was made in response to a referral from the Defense Criminal Investigative Service. The referral discussed an allegation that a telecommunications vendor in Philadelphia, Pennsylvania, was charging the DoD for telephone lines no longer in service. The allegation was unsubstantiated. In determining whether the allegation had merit, we evaluated single and multichannel (special-purpose) circuits at six DoD installations in the Philadelphia metropolitan area. The 328 Defense Communications System circuits we evaluated cost about \$3.5 million annually, excluding overhead, rate stabilization, and general-purpose subscriber charges. This report discusses circuits that are no longer required.

Objectives. The objective of the audit was to evaluate the effectiveness of the revalidation of requirements for existing leased long-haul telecommunications services in the Philadelphia area.

Audit Results. Six DoD installations in the Philadelphia area were needlessly paying \$635,000 annually for 54 (16.5 percent of circuits evaluated) special-purpose circuits. Managers promptly terminated 26 circuits identified by the audit. If additional circuits and payments are terminated, funds can be put to better use.

Internal Controls. The internal control program, as it applies to circuit review and revalidation programs, is the responsibility of the communications commands within the Military Departments, Defense agencies, and the Defense Information Systems Agency. Because this audit was performed only at the installation level, we did not assess internal controls. We plan to focus on reviewing the internal controls in a future audit.

Potential Benefits of Audit. For FY 1995 through FY 2000, \$4.0 million could be put to better use if 54 circuits in the Philadelphia area are terminated (see Appendix E).

Summary of Recommendations. We recommend that users initiate Requests for Service to disconnect telecommunications circuits identified for termination.

Management Comments. The Army nonconcurred, stating that a valid need existed for two circuits, one circuit was to be upgraded, and the discontinuance of another circuit was not attributable to the audit. The Navy and Air Force concurred with the report. The Defense Logistics Agency partially concurred, stating that all circuits were reviewed and revalidated in June 1993. The Defense Logistics Agency also stated that

the responsibility for AT&T wideband circuits and equipment was transferred to the Defense Information Systems Agency in October 1993. Management comments are discussed in Part II, and the complete texts of the comments are in Part IV.

Audit Response. Regarding the Army's response, we maintain our position that the circuits be disconnected for the reasons discussed in Part II. Although the Defense Logistics Agency revalidated requirements, revalidations were not justified. Regarding the Defense Logistics Agency comments on the AT&T wideband circuits, we directed a recommendation for three wideband circuits to the Defense Information Systems Agency. We request that the Army, Defense Logistics Agency, and Defense Information Systems Agency provide written comments on the final report by March 7, 1995.

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Part I - Introduction

Background

The Defense Communications System (DCS) is a worldwide composite of DoD-owned and leased telecommunications subsystems and networks composed of facilities, personnel, services, and equipment under the management and operational direction of the Defense Information Systems Agency (DISA). The DCS provides long-haul, common-user or general-purpose, and dedicated or point-to-point (special-purpose) telecommunications services for the DoD and other Government organizations. The leased services consist of general-purpose networks,* such as the Defense Information Systems Network (to be initially composed of the Defense Switched Network, the Defense Data Network, and Military Department subnetworks); the Federal Telephone System 2000; and special-purpose circuits, trunks, and networks. The DCS does not include mobile or transportable communications facilities and assets organic to military forces; tactical telecommunications; base communications (communications within the confines of a post, camp, base, and station, including local interconnect trunks to the first commercial central office providing service in the local area); or on-site facilities associated with or integral to weapon systems.

Organizations, such as the headquarters of the Military Departments and Defense agencies and major commands, communications management offices, and installation-level organizations, determine requirements for telecommunications services. DISA operates the Communications Information Services Activity to procure authorized commercial communications services, facilities, and equipment for DoD and other Government agencies. This procurement function is carried out by the Defense Commercial Communications Office (DECCO), which is the operating arm of the Communications Information Services Activity and a subelement of the DISA Acquisition Management Organization. DECCO issues Communications Service Authorizations, as part of the procurement process, to obtain telecommunications services.

Communications Service Authorizations are orders for service contracts normally placed against basic ordering agreements, established by DECCO, with various communications vendors. Communications Service Authorizations are authorized by the Telecommunications Management and Services Office (TMSO) through Telecommunications Service Orders. The TMSO is a subelement of the DISA Defense Information Services Organization. A Telecommunications Service Order is based on a Telecommunications Service Request (TSR) that a DoD Component submits to the TMSO through its Telecommunications Certification Office. Each TSR is based on a Request for Service (RFS) that a communications manager or user official (such as a local commander, a major command's communications manager, or a network communications manager) submits to the responsible Telecommunications Certification Office. To connect new service or to reconfigure, reroute, or disconnect existing service, a communications manager or an official from the user organization must prepare an RFS.

*A glossary in Appendix A defines communications terms used in this report.

Within the continental United States, the certification functions for the Departments of the Army, Navy, and Air Force are performed by elements of the U.S. Army Information Systems Command, the Naval Computer and Telecommunications Command, and the Air Force Command, Control, Communications and Computer Agency, respectively. Defense agencies are authorized to have their own internal certification function. The Assistant Secretary of Defense (Command, Control, Communications and Intelligence) directed in a March 23, 1994, memorandum that the certification functions be transferred to DISA by October 1, 1994. The certification officials review each RFS, prepare the subsequent TSR, and certify that each RFS is valid, approved, and funded.

The TMSO is the primary DISA organization that maintains the Worldwide On-Line System, a DCS data base composed of an inventory of existing circuits and trunks. The TMSO assigns a Command Communications Service Designator (CCSD) to each circuit and trunk in the Worldwide On-Line System. The CCSDs identify circuits and trunks leased and owned by the DoD. DECCO maintains a data base that is used to record communications vendors' billings and the resulting payments, and in turn, the charges to DoD customers for communications services and resulting payments. DISA combined the Worldwide On-Line System and DECCO data bases, along with other information, to form the Defense Information Services Database (DISD) System. The DISD System is a centralized data base of communications services and provides access to the central inventory data bases for use in implementing a review and revalidation program, reconciling telecommunications accounts, and managing telecommunications services.

Objective

The objective of the audit was to evaluate the effectiveness of the revalidation of requirements for existing leased long-haul telecommunications services in the Philadelphia area.

Scope and Methodology

This audit resulted from a referral from the Defense Criminal Investigative Service. The referral discussed an allegation that a telecommunications vendor in Philadelphia, Pennsylvania, was charging the DoD for telephone lines no longer in service.

To determine whether the allegation had merit, we evaluated single and multichannel special-purpose circuits at six DoD installations in the Philadelphia metropolitan area. Our universe at those six installations was composed of

Introduction

328 CCSDs in the DISD System for DCS special-purpose circuits as of March 31, 1994, the cutoff date of the audit universe. We excluded Defense Switched Network access circuits and general-purpose circuits from the review. The special-purpose circuits cost the Government \$3.5 million annually. Those costs were exclusive of overhead, rate stabilization, and subscriber charges. We reviewed the utilization of and the requirement for the circuits to determine whether the allegation described in the Defense Criminal Investigative Service referral was valid. We did not substantiate the allegation. We performed a 100-percent review of the 328 CCSDs, and we calculated the monetary benefits without the use of statistical projection techniques.

We reviewed Telecommunications Service Requests, Telecommunications Service Orders, and other historical documentation dated from March 1984 to March 1994. Further, to determine whether the requirement for a circuit was valid, we interviewed telecommunications management officials and contacted organizations within the Army, Navy, Air Force, Defense Logistics Agency, and DISA identified as having knowledge about the usage of or requirement for a circuit. We did not assess the reliability of computer-processed data, obtained from the DISD System, that we used in performing the audit. Any inaccuracies in those data will not affect the audit conclusions.

This economy and efficiency audit was made from April through July 1994. The audit was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. A list of organizations visited or contacted is in Appendix F.

Internal Controls

The internal control program is defined by DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987. The internal control program, as it applies to circuit review and revalidation programs, is the responsibility of the communications commands within the Military Departments, Defense agencies, and the DISA. Because this audit was performed only at the installation level, we did not assess internal controls. We plan to review the internal controls in a future audit.

Prior Audits and Other Reviews

Problems similar to those discussed in this report regarding telecommunications services that were no longer required were identified in nine Inspector General, DoD, reports. Details on those audits are in Appendix B.

Part II - Finding and Recommendation

Termination of Special-Purpose Circuits

Six DoD installations in the Philadelphia area were unnecessarily paying for 54 special-purpose circuits that were no longer needed. The Departments of the Army, Navy, and Air Force, the Defense Information Systems Agency, and the Defense Logistics Agency did not adequately revalidate requirements for 328 telecommunications circuits leased by DoD organizations in the Philadelphia area. During the execution of the FY 1995 through FY 2000 Future Years Defense Program, about \$4.0 million could be put to better use if the 54 circuits are terminated.

Background

Guidance on telecommunications services that are no longer required is in DoD Directive 4640.13, "Management of Base and Long-Haul Telecommunications Equipment and Services," December 5, 1991. The Directive states that the DoD Components "shall discontinue telecommunications equipment or services for which a bona fide need no longer exists."

Defense Management Report Decision No. 918 (Decision 918), "Defense Information Infrastructure," September 15, 1992, redirected additional tasks and functions in the communications area from the Defense Logistics Agency to the Defense Information Systems Agency (DISA). Under Decision 918, DISA became the central manager of the Defense information infrastructure. That role included network management, engineering, design, and control of long-haul and regional communications, as well as technical management of base-level communications. In May 1993, the Deputy Secretary of Defense redefined functions initially transferred to DISA, pending further review of implementation of Decision 918. Subsequently, in June 1993, the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), directed the immediate reassignment of all Decision 918 facilities planned for or under operational control of DISA to the DoD Components.

On October 1, 1993, the Deputy Under Secretary of Defense (Logistics), and the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), directed reduction of spending for existing or "legacy" systems and the central design activity infrastructure, elimination of nonstandard or "stove pipe" systems, and accelerated deployment of standard "migratory" systems. Under that direction, DISA capitalized and integrated the Defense Logistics Agency Corporate Network, which the Defense Logistics Agency had operated as an independent network, into the Defense Information Systems Network, a worldwide DoD information network. As part of the capitalization, the Defense Logistics Agency transferred funding equal to the FY 1993 costs of operating the Defense Corporate Network to DISA for FY 1994.

Verifying Communications Requirements

To accomplish our audit objective, we took extensive steps to verify the communications requirements for the circuits. We reviewed current and historical records on the established requirements justifications, and we examined the physical location of each circuit. We contacted all organizations within the Military Departments, Defense agencies, and DISA identified to us as having knowledge about the usage of or requirement for a circuit. The contacts helped us to determine whether the requirement for a circuit was valid. We applied the following two criteria in determining whether the telecommunications services were justified.

- o A need to communicate must have existed on March 31, 1994, the cutoff date of our audit universe.
- o The user must have been able to physically locate the circuit.

If a circuit failed to meet either criterion, we concluded that a valid requirement no longer existed for the circuit.

Circuits and Payments No Longer Required

Fifty-four circuits leased at a cost of \$634,968 annually were no longer required. The 54 circuits (see Appendix C) represent 16.5 percent of the circuits reviewed and were paid for by the Army (4 circuits), Navy (31 circuits), Air Force (2 circuits), the Defense Logistics Agency (14 circuits), and the Defense Information Systems Agency (3 circuits). A synopsis of conditions, by organization, follows.

Army. The Army paid \$4,996 a month, or \$59,952 annually, for four circuits that were no longer required. In June 1994, management promptly disconnected three of the four circuits and agreed to disconnect the remaining circuit.

Navy. The Navy paid \$16,426 a month, or \$197,112 annually, for 31 circuits that were no longer required. In June 1994, management promptly disconnected 9 circuits and agreed to disconnect the remaining 22 circuits.

Air Force. The Air Force had two Defense Information Systems Network circuits that were no longer required. Management promptly disconnected those circuits during the audit.

Defense Information Systems Agency. The Defense Information Systems Agency paid \$14,217 a month, or \$170,604 annually, for three circuits that were no longer required. Management has issued an RFS to terminate one

Termination of Special-Purpose Circuits

circuit and agreed to terminate another circuit. Although we believe the requirement for the remaining circuit was not justified, management has not yet reached a conclusion on the disposition of the circuit.

Defense Logistics Agency. The Defense Logistics Agency paid \$17,275 a month, or \$207,300 annually, for 14 circuits that were no longer required. Management promptly disconnected 11 circuits and agreed to disconnect another 2 circuits. Although we believe the requirement for the remaining circuit was not justified, management has not yet reached a conclusion on the disposition of that circuit. The Defense Logistics Agency has not yet issued RFSs to terminate three circuits, but do so promptly.

Termination of Circuits and Payments

The prompt actions taken by communications managers to disconnect 26 unneeded circuits are commendable. Management also agreed to disconnect another 26 circuits. RFSs should be promptly issued through designated channels to terminate the remaining 28 circuits that are no longer required. Disconnection of the 54 circuits will reduce expenditures by about \$4.0 million during the execution of the FY 1995 through FY 2000 Future Years Defense Program (see Appendixes D and E).

Recommendations for Corrective Action

Recommendations Revised and Added. Because some services were transferred from the Defense Logistics Agency to DISA as of October 1, 1993, we revised the number of circuits shown in Recommendation 3. and added Recommendation 4., which is directed to DISA.

1. We recommend that the Director of Information Systems for Command, Control, Communications and Computers, Department of the Army, require the user organization to initiate a Request for Service to disconnect the remaining circuit listed in Appendix C (under Army).

Department of the Army Comments. The Army nonconcurred. The Army stated that circuit UUK971AT is the sole Defense Data Network gateway serving Defense Data Network customers at Fort Dix and that a Request for Service has been issued for circuit UUK971AT for the purpose of upgrading it. In addition, the Army stated that the discontinuance of circuit UKAM7KT4 on June 1, 1994, was not a result of the audit. The Army did not agree to discontinue circuit UUED7YVG, stating it was still required by the users. The complete text of the Army's comments is in Part IV.

Termination of Special-Purpose Circuits

Audit Response. We agree that the Army has a valid requirement for a gateway circuit. However, we disagree that this Defense Data Network circuit is necessary to access the system at Fort Ritchie because a Defense Data Network node is at Fort Dix. Therefore, we maintain that the Army should disconnect circuit UUK971AT and rehome the circuit to gain access to the Defense Data Network from the node at Fort Dix.

On June 1, 1994, we gave the Army communications manager a complete list of circuits we planned to review on our visit to Fort Dix on June 7, 1994. Based on that notification of circuits to be reviewed, the Army disconnected circuit UKAM7KT4, which was no longer needed. We commend the Army for disconnecting the circuit. However, the Army's comments describe a management decision made at the major command level, and overlook that circuit UKAM7KT4 was identified by the audit. We consider the Army's corrective action responsive, and no further action is required.

We maintain our position on circuit UUED7YVJ (the Army referred to this circuit as UUED7YVG). Conversations with communications managers in St. Louis and Fort Huachuca indicated that circuit UUED7YVJ has never been used because of an equipment compatibility problem since its upgrade from an analog circuit to a digital circuit in 1993. As of our audit cutoff date, the incompatibility had not been corrected. Therefore, circuit UUED7YVJ should be disconnected and payment should be stopped. We request that the Army reconsider its position in response to the final report.

2. We recommend that the Director, Space and Electronic Warfare, Department of the Navy, require user organizations to initiate Requests for Service to disconnect the remaining 22 circuits listed in Appendix C (under Navy).

Department of the Navy Comments. The Navy concurred with the report, stating that actions have been either taken or planned to disconnect the remaining circuits.

3. We recommend that the Director, Defense Logistics Agency, require user organizations to initiate Requests for Service to disconnect the remaining three circuits listed in Appendix C (under Defense Logistics Agency).

Defense Logistics Agency Comments. The Defense Logistics Agency partially concurred with the draft report recommendation and monetary benefits. The Defense Logistics Agency stated that all circuits had been reviewed and revalidated during June 1993. The Defense Logistics Agency indicated that the Defense Personnel Support Center was scheduled to process additional TSRs to disconnect most of the remaining circuitry and that the Base Realignment and Closure project has delayed that process. Also, due to the consolidation of the Defense Contract Management Districts, circuits were being reevaluated to determine whether a valid need still exists for the circuits.

Termination of Special-Purpose Circuits

The Defense Logistics Agency also stated that the AT&T wideband circuits and equipment were transferred to DISA effective October 1, 1993. The circuits and equipment are supporting the backbone of the Defense Information Systems Network and may not be disconnected at this time. The complete text of the Defense Logistics Agency's comments is in Part IV.

Audit Response. We do not agree with the Defense Logistics Agency position on the review and revalidation process. Although the circuits have been reviewed and revalidated, our observation of the process indicated that communications managers were revalidating requirements without valid justifications. For example, circuits had been revalidated, even though those circuits have not been used for at least 3 years. We request that the Defense Logistics Agency reconsider its position on the remaining three circuits in response to the final report.

4. We recommend that the Director, Defense Information Systems Agency, initiate a Request for Service to disconnect the circuits listed in Appendix C (under Defense Information Systems Agency).

DISA Comments. We request that DISA provide comments in response to the final report on this recommendation we added.

Part III - Additional Information

Appendix A. Glossary

CCSD. Command Communications Service Designator. A unique identifier for each single service; that is, single-channel circuits, multichannel trunk circuits, and interswitch trunk circuits.

Channel. A single unidirectional or bidirectional path for transmitting or receiving (or both) electronic signals, usually in a path that is distinct from other parallel paths.

Circuit. A communication capability between two or more users, between a user terminal and a switching terminal, or between two switches.

DISD System. Defense Information Services Database System. An automated tool for management of long-haul telecommunications services provided through the Defense Information Systems Agency (DISA). The DISD System contains contractual, financial, operational, and inventory information. The DISD System also contains a special software module to facilitate the biennial review and revalidation of telecommunications requirements.

Gateway. A Defense Switched Network switch located at the point of access to a different telephone network or to a Defense Switched Network switch in another geographical area.

General-Purpose Network. A system of circuits or trunks between network switching centers or nodes allocated to provide communications service on a common basis to all connected subscribers. Sometimes described as a common-user network.

RFS. Request for Service. The document submitted by the requester (DoD and other Government Agencies authorized by specific DoD agreement) to the designated Telecommunications Certification Office to connect new service or to reconfigure, reroute, or disconnect existing service.

TCO. Telecommunications Certification Office. An organization designated by a Federal Department or Agency to certify to DISA that a specified telecommunications service or facility is a bona fide requirement, and that the Department or Agency is prepared to pay mutually acceptable costs to fulfill the requirement.

Trunk. A dedicated circuit connecting two switching centers, central offices, or data concentration devices. This term is often used within the communications community to describe any multichannel circuit.

TSR. Telecommunications Service Request. A valid, approved, and funded telecommunications requirement document prepared and submitted by the specifically authorized Telecommunications Certification Office to DISA or the Defense Commercial Communications Office, as applicable, for implementation.

Appendix B. Prior Audits and Other Reviews

Nine Inspector General, DoD, audit reports discuss problems regarding telecommunications services that were no longer required.

Office of the Inspector General, DoD, Report No. 94-173, "Selected Special - Purpose Telecommunications Circuits," August 8, 1994. DoD installations did not adequately revalidate requirements. The report shows that 5.6 percent (9) of the 160 Command Communications Service Designators (CCSDs) reviewed at 6 DoD installations were no longer required. The report recommends that the circuits be terminated, resulting in \$386,000 that could be put to better use for a 72-month period ending in FY 2000. Management concurred in all recommendations in the report.

Office of the Inspector General, DoD, Report No. 94-120, "Telecommunications Circuit Allocation Programs - Jacksonville Area," June 6, 1994. DoD organizations did not effectively identify reconfiguration opportunities nor adequately revalidate requirements. The report shows that 63.3 percent of the 166 sampled CCSDs at DoD organizations in the Jacksonville, Florida, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 74 (44.6 percent) circuits as candidates for potential reconfiguration. Leases for 31 (18.7 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the Jacksonville area, about \$9.6 million could be put to better use during the execution of the FY 1994 through FY 1999 Future Years Defense Program. Finally, for that same period, about \$1.5 million could be put to better use if 28 circuits that were not part of the audit universe or sample are reconfigured or terminated. The report recommends that the circuits be reconfigured or terminated. Management concurred with the finding and recommendations.

Office of the Inspector General, DoD, Report No. 94-072, "Telecommunications Circuit Allocation Programs - Kansas City Area," March 31, 1994. DoD organizations did not effectively identify reconfiguration opportunities nor adequately revalidate requirements. The report shows that 63.1 percent of the 292 sampled CCSDs at DoD organizations in the Kansas City, Missouri, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 33 (35.9 percent) circuits as candidates for potential reconfiguration. Leases for 25 (27.2 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the Kansas City area, \$7.9 million could be put to better use during the execution of the FY 1994 through FY 1997 Future Years Defense Program. Finally, for that same period, about \$1.3 million could be put to better use if 21 circuits that were not part of the audit universe or sample are terminated. The report recommends that the circuits be reconfigured or terminated. Management has taken all necessary corrective actions.

Office of the Inspector General, DoD, Report No. 94-051, "Telecommunications Circuit Allocation Programs - San Antonio Area," March 11, 1994. DoD organizations did not effectively identify reconfiguration opportunities nor adequately revalidate requirements. The report shows that 47.6 percent of the 193 sampled CCSDs at DoD organizations in the San Antonio, Texas, metropolitan area were

Appendix B. Prior Audits and Other Reviews

potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 84 (43.5 percent) circuits as candidates for potential reconfiguration. Leases for eight (4.1 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the San Antonio area, \$8.9 million could be put to better use during the execution of the FY 1994 through FY 1996 Future Years Defense Program. Finally, for that same period, about \$.015 million could be put to better use if one circuit that was not part of the audit universe or sample is terminated. The report recommends that the circuits be reconfigured or terminated. Management concurred with the finding and recommendations.

Office of the Inspector General, DoD, Report No. 93-114, "Management of Leased Modulators/Demodulators by the Air Mobility Command," June 30, 1993. The Air Mobility Command did not prepare required documentation to discontinue payments for modulators/demodulators (modems) no longer in service, purchase rather than lease modems, and disconnect circuits that were no longer required. As a result, about \$826,000 was spent for equipment no longer in service; about \$1.3 million was spent for leased equipment that should have been purchased; and about \$70,000 was spent for leased circuits that were no longer required. At seven military installations, 53.6 percent of telecommunications equipment could not be accounted for, and the Air Mobility Command could not validate its telecommunications equipment inventories. Corrective actions would reduce costs by about \$5.3 million (of which \$784,000 was previously reported in Audit Report No. 93-021, "Management of Leased Modulators/Demodulators at Dover Air Force Base, Delaware," November 9, 1992.) during the FY 1993 through FY 1998 Future Years Defense Program. The report recommends that the Commander, Air Mobility Command, terminate payments for equipment no longer in service, purchase leased modems, disconnect circuits no longer needed, and conduct and maintain inventories of all leased and owned telecommunications equipment and services. The Air Force concurred with the finding and implemented recommended measures.

Office of the Inspector General, DoD, Report No. 93-021, "Management of Leased Modulators/Demodulators at Dover Air Force Base, Delaware," November 9, 1992. The Air Mobility Command continued to make payments for telecommunications equipment that was no longer in service, and continued to lease equipment that should have been purchased. As a result, more than \$287,000 had been spent unnecessarily from February 1990 through June 1992. Action to terminate leases and purchase modems would reduce costs by about \$784,000 during the FY 1993 through FY 1998 Future Years Defense Program. The report recommends that the Commander, Air Mobility Command, terminate leases for six long-haul modems and purchase replacement modems from the Bulk Modem Contract maintained by the Defense Commercial Communications Office (DECCO). The Air Force concurred with the finding and implemented recommended measures.

Office of the Inspector General, DoD, Report No. 93-019, "Disposition of Telecommunications Services and Equipment at Eaker Air Force Base," November 6, 1992. The Air Force did not discontinue telecommunications services when service requirements no longer existed. The report shows that 5 (10.6 percent) of 47 long-haul telecommunications circuits reviewed at Eaker Air Force Base, Blytheville, Arkansas, were no longer required. DoD could have avoided communications costs estimated at \$19,000 if action had been taken to discontinue the

Appendix B. Prior Audits and Other Reviews

services. When this matter was brought to management's attention, it took immediate action to discontinue the circuits and avoided additional costs of about \$9,000 through December 1992, the planned base closure date. The Air Force concurred with the finding and monetary benefits and implemented recommended actions to prevent similar conditions.

Office of the Inspector General, DoD, Report No. 93-018, "Disposition of Telecommunications Services and Equipment at Pease Air National Guard Base," November 6, 1992. The Air National Guard did not discontinue services when communication requirements no longer existed. The report states that 7 (47 percent) of 15 long-haul telecommunications circuits reviewed at Pease Air National Guard Base, Portsmouth, New Hampshire, were no longer required. DoD could have avoided communications costs estimated at \$151,000 if action had been taken to discontinue the services. When this matter was brought to management's attention, it took immediate action to discontinue the services and avoided additional costs of about \$272,000 during the execution of the FY 1993 through FY 1998 Future Years Defense Program. The Defense Information Systems Agency fully concurred in the report.

Office of the Inspector General, DoD, Report No. 90-005, "Requirements Validation for Telecommunications Services," October 16, 1989. Of the 1,323 sampled circuits reviewed at 21 DoD installations, 21 percent (277) continued in service although no longer required, were not cost-effective as configured, or could not be identified. For the sampled circuits, the report identifies 135 circuits (10.2 percent) that were no longer required, 130 circuits (9.8 percent) that were considered not cost-effective in their configurations, and 12 circuits (1.0 percent) that could not be located. Leased circuits that were no longer required or not cost-effective could cost as much as \$21 million during FY 1989 and \$117 million during the execution of the FY 1989 through FY 1993 Five-Year Defense Plan. The report contains several recommendations to the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) and to the Comptroller of the Department of Defense (now the Under Secretary of Defense [Comptroller]), one of which was to establish a definitive policy requiring DoD Components to review and revalidate telecommunications circuits leased and owned by the Defense Communications System. Management concurred in all recommendations in the report.

Appendix C. Circuits Recommended for Termination

2	CCSD	Description	From	To	3	1			
						Monthly Recurring Costs	Annual Cost	To DoD	
Army									
UUK9	71AT ⁴	DATA CIRCUIT	FT DIX ⁵	FTRITCH ⁶	LDSW	D	\$ 340	\$ 4,080	
UKAM	7KT ⁴	DATA CIRCUIT	FTBELVOR ⁷	FT DIX ⁵	GTE	DP	2,615	31,380	
UUED	7YVJ ^{*8}	DATA CIRCUIT	ST LOUIS ⁹	PHILDLPH ¹⁰	FTSADT	D	638	7,656	
					AT	D	1,056	12,672	
UUBV	7GSX ⁴	VOICE CIRCUIT	FT DIX ⁵	PHILDLPH ¹¹	SPCC	X	347	4,164	
Annual Funds Put to Better Use Resulting from Termination Actions							\$ 59,952		
Navy									
BABV	4A66 ^{*8}	VOICE CIRCUIT	PHILDLPH ¹²	WASHINGTON ¹³	LDSW	X	\$ 342	\$ 4,104	
BTNX	6GSR ⁴	DATA CIRCUIT	PHILDLPH ¹²	NORFOLK ¹⁴	ABI	42	1,434	17,208	
					CPV	42	132	1,584	
BUE9	71CW ⁴	DATA CIRCUIT	PHILDLPH ¹⁵	JOHNSVLL ¹⁶	CDXOC	Y	4	48	
					FTSADT	D	307	3,684	
BUE9	73AG ⁴	DATA CIRCUIT	PHILDLPH ¹²	JOHNSVLL ¹⁶	CDXOC	Y	3	36	
					ELTR	W	379	4,548	
BUE9	745N ⁴	DATA CIRCUIT	PHILDLPH ¹⁷	JOHNSVLL ¹⁶	GTE	D	562	6,744	
BUE9	782H ⁴	DATA CIRCUIT	PHILDLPH ¹⁵	PHILDLPH ¹²	ABI	D	813	9,756	
BUE9	79SJ ⁴	DATA CIRCUIT	TRENTON ¹⁸	PHILDLPH ¹²	LDXN	W	824	9,888	
					CDXOC	Y	3	36	
BUE9	7AUL ^{*8}	DATA CIRCUIT	ARLINGTON ¹⁹	PHILDLPH ²⁰	USTS	D	973	11,676	
BUE9	7CA5 ^{*8}	DATA CIRCUIT	WASHINGTON ²¹	PHILDLPH ¹²	ABI	D	793	9,516	
BUE9	7E4J ^{*8}	DATA CIRCUIT	PHILDLPH ¹²	DAYTON ²²	ABI	D	891	10,692	
BUE9	7EX5 ^{*8}	DATA CIRCUIT	PHILDLPH ¹²	WASHINGTON ²³	AT	D	979	11,748	
BABV	7FSL ^{*8}	VOICE CIRCUIT	PHILDLPH ¹²	WASHINGTON ¹³	LDSW	X	342	4,104	
BABV	7FSZ ^{*8}	VOICE CIRCUIT	PHILDLPH ¹²	WASHINGTON ¹³	LDSW	X	342	4,104	
BUE9	7KJ6 ^{*8}	DATA CIRCUIT	PHILDLPH ²⁴	NORFOLK ²⁵	SNNT	D	435	5,220	

See footnotes on pages 19 and 20.

Appendix C. Circuits Recommended for Termination

2 CCSD	Description	From	To	3 CSA	1 Leased Costs	
					Monthly Recurring Costs	Annual Cost To DoD
Navy (cont'd)						
BUE 7KKS*8	DATA CIRCUIT	PHILDLPH24	OAKRIDGE26	SNNT D	\$ 596	\$ 7,152
BUE 7KKW*8	DATA CIRCUIT	PHILDLPH24	OAKRIDGE26	SNNT D	596	7,152
BUE 7LUR4	DATA CIRCUIT	MCNCSBRG27	PHILDLPH24	ABI 03 Q	24	288
BUE 7NSY*8	DATA CIRCUIT	WASHINGTON21	PHILDLPH29	AT 03 D	111	1,332
BUE 7QL94	DATA CIRCUIT	PHILDLPH12	WGHTPAFB30	AT D	778	9,336
BUE 7VW8*8	DATA CIRCUIT	PHILDLPH31	BOSTON32	QWST D	409	4,908
BUE 7VY84	DATA CIRCUIT	PHILDLPH31	VIRGNBCH33	AT W	814	9,768
BUE 7Y6M*8	DATA CIRCUIT	JCKSNVLL34	PHILDLPH20	CODXOC Y	6	72
BUE 7Y9W*8	DATA CIRCUIT	NORLEANS35	PHILDLPH12	CODXOC Y	1,045	12,540
BUBV 7TS6*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	D 007Y9W	9	108
BUBV 7TS8*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 001	0	0
BUBV 7TS9*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 002	310	3,720
BUBV 7TTB*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 003	310	3,720
BUBV 7TTC*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 004	310	3,720
BUBV 7TTE*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 005	310	3,720
BUBV 7TTF*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 006	310	3,720
BUBV 7TTG*8	VOICE CIRCUIT	PHILDLPH12	WASHINGTON13	X 00607 007	310	3,720
				X 00607 008	310	3,720
Annual Funds Put to Better Use Resulting from Termination Actions						\$197,112
Air Force						
JQAD 7NZC4	DATA CIRCUIT	SCOTTAFB36	MCGRUAFB37	D 007NZC	0	0
JUBV 7CFZ4	VOICE CIRCUIT	ANDWAFB38	MCGRUAFB37	P 007CFZ	0	0
Annual Funds Put to Better Use Resulting from Termination Actions						\$ 0

See footnotes on pages 19 and 20.

Appendix C. Circuits Recommended for Termination

2	CCSD	Description	From	To	3	1			
						Leased Costs			
						Monthly Recurring Costs	Annual Cost	To DoD	
Defense Information Systems Agency									
NSUM	7MV6*8	DATA CIRCUIT	PHILDLPH ³⁹	MCNCSBRG ²⁸	AT	W	89700 810	\$3,867	\$ 46,404
					AT	Q	89702 102	2,205	26,460
					AT	Q	89702 173	2,407	28,884
					AT	Q	89704 793	109	1,308
					AT	Q	89706 731	101	1,212
					AT	Q	89706 732	101	1,212
NSUM	7NDU ⁴	DATA CIRCUIT	PHILDLPH ³⁹	PHILDLPH ⁴⁰	AT	Q	89702 103	1,768	21,216
					AT	Q	89702 790	109	1,308
					AT	Q	89702 791	109	1,308
					AT	W	89700 804	2,571	30,852
NSUD	7R2M*28	DATA CIRCUIT	PHILDLPH ⁴⁰	PHILDLPH ⁴¹	AT	W	89702 751	870	10,440
Annual Funds Put to Better Use Resulting from Termination Actions							\$170,604		
Defense Logistics Agency									
NSUD	7FNU ⁴	DATA CIRCUIT	ALEXANDR ⁴²	PHILDLPH ⁴⁰	MCIT	W	87093	\$1,123	\$ 13,476
NSUD	7GFD ⁴	DATA CIRCUIT	PHILDLPH ⁴³	TOWSON ⁴⁴	CAWM	W	00502 01	1,311	15,732
NSUD	7GFE ⁴	DATA CIRCUIT	PHILDLPH ⁴³	PTTSBRGH ⁴⁵	CAWM	W	00502 03	2,639	31,668
NSUD	7GFJ ⁴	DATA CIRCUIT	PHILDLPH ⁴³	TOWSON ⁴⁴	CAWM	W	00502 02	2,458	29,496
NSUD	7KX7*28	DATA CIRCUIT	PHILDLPH ²⁰	PHILDLPH ⁴⁶	ABI	D	33610	3,395	40,740
NSUD	7US1 ⁴	DATA CIRCUIT	PHILDLPH ³⁹	CHRRYHLL ⁴⁷	AT	W	89702 359	1,138	13,656
NSUD	7WXC ⁴	DATA CIRCUIT	PHILDLPH ³⁹	PHILDLPH ¹²	ABI 03	Q	02382 8P	3,098	37,176
NSUV	7XEF ⁴	VOICE CIRCUIT	PHILDLPH ⁴⁰	READING ⁴⁸	BP 11	P	652228	137	1,644
NSUV	7XEG ⁴	VOICE CIRCUIT	PHILDLPH ⁴⁰	READING ⁴⁸	BP 11	P	652225	137	1,644
NSUV	7XEJ ⁴	VOICE CIRCUIT	PHILDLPH ⁴⁰	READING ⁴⁸	BP 11	P	652226	137	1,644
NSUV	7XEJ ⁴	VOICE CIRCUIT	PHILDLPH ⁴⁰	READING ⁴⁸	BP 11	P	652227	137	1,644
NSUV	7XEK ⁴	VOICE CIRCUIT	PHILDLPH ⁴⁰	READING ⁴⁸	BP 11	P	652229	137	1,644

Appendix C. Circuits Recommended for Termination

2		1	
CCSD	Description	From	To
3			
CSA			
Leased Costs			
		Monthly Recurring Costs	Annual Cost To DoD
Defense Logistics Agency			
DD7B LLSF*8	VOICE CIRCUIT	PHILDLPH ⁴⁰	HAGRSTW ⁴⁹
		ATTDHG	28955 001
DD7B LLSH*8	VOICE CIRCUIT	PHILDLPH ⁴⁰	HAGRSTW ⁴⁹
		ATTDHG	28956 001
		\$ 714.50	\$ 8,568
		714.50	8,568
Annual Funds Put to Better Use Resulting from Termination Actions			<u>\$207,300</u>
Total Annual Funds Put to Better Use Resulting from Termination Actions			<u>\$634,968</u>

Note: Circuits for which Requests for Service should be issued are indicated by an asterisk.

¹The costs of leased telecommunications services are paid by the Defense Commercial Communications Office to communications vendors. The costs shown on this schedule are the net costs to the Government.

²Command Communications Service Designator.

³Communications Service Authorization - identifies a specific contract with vendor for each service.

⁴Communications management has issued a Request for Service or Telecommunications Service Request, as applicable, to terminate the circuit.

⁵U.S. Army Training Center, Fort Dix, NJ.

⁶Fort Ritchie, MD.

⁷U.S. Army Information Systems Command, Fort Belvoir, VA.

⁸Communications management agreed to terminate the circuit; however, a Request for Service to terminate the circuit has not been issued.

⁹St. Louis Megacenters, St. Louis, MO.

¹⁰U.S. Army Support, Clothing and Textile Branch, Philadelphia, PA.

¹¹Bell of Pennsylvania Central Office, Conshohocken, PA.

¹²Aviation Supply Office, Philadelphia, PA.

¹³Foreign Exchange Central Office Dial Tone Equipment, Washington, DC.

¹⁴Naval Air Station, Norfolk, Norfolk, VA.

¹⁵Naval Criminal Investigative Service, Naval Base, Philadelphia, PA.

¹⁶Naval Air Warfare Center Aircraft Division, Johnsville, PA.

¹⁷Naval Hospital, Philadelphia, PA.

¹⁸Naval Air Propulsion Center, Trenton, NJ.

Appendix C. Circuits Recommended for Termination

- 19^NNaval Sea Systems Command, Arlington, VA.
- 20^NNaval Shipyard, Philadelphia, PA.
- 21^NNavy Regional Data Automation Center, Washington, DC.
- 22^DDefense Electronics Supply Center, Dayton, OH.
- 23^NNaval Communications Telecommunications Station, Washington Navy Yard, Washington, DC.
- 24^CCarderock Division, Naval Surface Warfare Center, Philadelphia, PA.
- 25^SSystems and Equipment Maintenance Monitoring for Surface Ship Performance Monitoring Team, Naval Station, Norfolk, VA.
- 26^SScience Applications International Corporation, Oak Ridge, TN.
- 27^NNavy Ships Parts Control Center, Mechanicsburg, PA.
- 28^CCommunications management has not yet reached a conclusion on the disposition of the circuit and has not yet issued a Request for Service to terminate the circuit.
- 29^PPersonnel Support Activity Detachment, Naval Base, Philadelphia, PA.
- 30^LLogistics Support Operations Center, Wright-Patterson Air Force Base, OH.
- 31^NNaval Sea Systems Command Detachment, Naval Station, Philadelphia, PA.
- 32^NNaval Sea Systems Command, Shipbuilding Conversion and Repair, Boston, MA.
- 33^QED Systems Inc, Virginia Beach, VA.
- 34^NNaval Communications Telecommunications Station, Jacksonville, FL.
- 35^NNaval Communications Telecommunications Station, New Orleans, LA.
- 36^I500th Computer Support Group, Scott Air Force Base, IL.
- 37^I21st Air Force, McGuire Air Force Base, NJ.
- 38^I2045th Communications Group, Andrews Air Force Base, MD.
- 39^DDefense Industrial Supply Center, Philadelphia, PA.
- 40^DDefense Personnel Support Center, Philadelphia, PA.
- 41^DDefense Contract Audit Agency, Philadelphia, PA.
- 42^BAtlantic, Cameron Central Office, Alexandria, VA.
- 43^BAtlantic, Dewey Central Office, Philadelphia, PA.
- 44^BAtlantic, Towson Central Office, Towson, MD.
- 45^BAtlantic, Towson Central Office, Pittsburgh, PA.
- 46^DDefense Investigative Service, Cherry Hill, NJ.
- 47^DDefense Plant Representative Office, Cherry Hill, NJ.
- 48^DDefense Contract Management Area Office, Reading, PA.
- 49^DDefense Logistics Agency, Hagerstown, MD.
- 50^AAmount was revised to reflect correct cost provided by the Defense Commercial Communications Office.

Appendix D. Effects of Termination Opportunities on Future Years Defense Program

Program	Element Title/ Element No.	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	6-Year ¹ Total
I&C ²	Long-Haul Communi- cations							
	0303126A ³	\$ 59,952	\$ 61,331	\$ 62,742	\$ 64,216	\$ 65,757	\$ 67,335	\$ 381,333
	0303126N ⁴	197,112	201,646	206,284	211,132	216,199	221,388	1,253,761
	0303126K ⁶	170,604	174,528	178,542	182,738	187,124	191,615	1,085,151
CS&M ⁷	Logistics Support- Activities Communi- cations							
	0708021S ⁸	207,300	212,068	216,946	222,044	227,373	232,830	1,318,561
Totals		<u>\$634,968</u>	<u>\$649,573</u>	<u>\$664,514</u>	<u>\$680,130</u>	<u>\$696,453</u>	<u>\$713,168</u>	<u>\$4,038,806</u>

¹This table summarizes the recurring funds put to better use (Appropriation - Operation and Maintenance) based on the audit results identified in Appendix C. Using the FY 1995 annual recurring funds put to better use (\$634,968) for the base year, we applied the established DoD inflation factors (2.3 percent for FY 1996, 2.3 percent for FY 1997, 2.35 percent for FY 1998, 2.4 percent for FY 1999, and 2.4 percent for FY 2000) for the next 5 fiscal years and calculated the total recurring funds put to better use for the Future Years Defense Program to be about \$4.0 million.

²Intelligence and Communications.

³Army.

⁴Navy.

⁵Air Force.

⁶Defense Information Systems Agency.

⁷Central Supply and Maintenance.

⁸Defense Logistics Agency.

Appendix E. Summary of Potential Benefits Resulting from Audit

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
1., 2., 3., and 4.	Economy and Efficiency. Terminating circuits and payments that no longer have a valid requirement will result in immediate savings.	\$4.0 million can be put to better use during budget years FY 1995 through FY 2000. Appropriation- Operation and Maintenance.

Appendix F. Organizations Visited or Contacted

Department of the Army

Headquarters, U.S. Army Forces Command, Fort McPherson, GA
Fort Dix, Trenton, NJ
Headquarters, U.S. Army Materiel Command, Alexandria, VA
Army Materiel Systems Analysis Activity, Philadelphia, PA
Headquarters, U.S. Army Training and Doctrine Command, Fort Monroe, VA
U.S. Army Audit Agency, Northeastern Region, Philadelphia, PA
Headquarters, U.S. Army Information Systems Command, Fort Huachuca, AZ
U.S. Army Commercial Communications Office, Fort Huachuca, AZ
U.S. Army Information Systems Command, Aberdeen Proving Ground, MD

Department of the Navy

Commander in Chief, Atlantic Fleet, Norfolk, VA
Naval Base, Philadelphia, PA
Headquarters, Naval Air Systems Command, Arlington, VA
Naval Air Warfare Center, Trenton, NJ
Headquarters, Naval Sea Systems Command, Arlington, VA
Naval Shipyard, Philadelphia, PA
Headquarters, Naval Supply Systems Command, Arlington, VA
Fleet Material Supply Office, Mechanicsburg, PA
Naval Aviation Supply Office, Philadelphia, PA
Headquarters, Naval Reserve Force, New Orleans, LA
Headquarters, Naval Computer and Telecommunications Command, Washington, DC
Naval Computer Telecommunications Station, New Orleans, LA
Naval Computer Telecommunications Station, Pensacola, FL
Naval Computer Telecommunications Station, Newport, RI
Naval Telecommunications Certification Office, Washington, DC

Department of the Air Force

Headquarters, Air Combat Command, Langley Air Force Base, VA
Headquarters, Air Mobility Command, Scott Air Force Base, IL
McGuire Air Force Base, Wrightstown, NJ
National Guard Bureau, Washington, DC
Air National Guard Reserve Center, Andrews Air Force Base, MD

Appendix F. Organizations Visited or Contacted

Department of the Air Force (cont'd)

Headquarters, Air Force Command, Control, Communications, and Computer
Agency, Scott Air Force Base, IL
Air Force Telecommunications Certification Office, Scott Air Force Base, IL
Headquarters, Communications System Center, Tinker Air Force Base, OK

Defense Agencies

Defense Information Systems Agency, Washington, DC
Acquisition Management Organization, Washington, DC
Defense Commercial Communications Office, Scott Air Force Base, IL
Telecommunications Management and Services Office, Scott Air Force Base, IL
Defense Information Services Organization, Denver, CO
Defense Information Services Organization, Columbus, OH
Defense Logistics Agency, Alexandria, VA
Defense Industrial Supply Center, Philadelphia, PA
Defense Personnel Support Center, Philadelphia, PA
Defense Mapping Agency, Fairfax, VA
Defense Mapping Agency Systems Center, Reston, VA
Defense Mapping Agency Combat Support Center Distribution Office,
Philadelphia, PA

Non-DoD Organization

Sunguard Mega Center, Philadelphia, PA

Appendix G. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Secretary of the Army
Auditor General, Department of the Army

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Auditor General, Department of the Navy

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Information Systems Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, Central Imagery Office
Inspector General, Defense Intelligence Agency
Inspector General, National Security Agency
Director, Defense Logistics Studies Information Exchange

Non-Defense Federal Organizations

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

Appendix G. Report Distribution

Non-Defense Federal Organizations (cont'd)

Chairman and Ranking Minority Member of Each of the Following Congressional Committees and Subcommittees:

- Senate Committee on Appropriations
- Senate Subcommittee on Defense, Committee on Appropriations
- Senate Committee on Armed Services
- Senate Committee on Commerce, Science, and Transportation
- Senate Subcommittee on Communications, Committee on Commerce, Science, and Transportation
- Senate Committee on Governmental Affairs
- House Committee on Appropriations
- House Subcommittee on Defense, Committee on Appropriations
- House Committee on Commerce
- House Subcommittee on Telecommunications and Finance, Committee on Commerce
- House Committee on Government Reform and Oversight
- House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
- House Committee on National Security
- House Subcommittee on Oversight and Investigations, Committee on National Security

Part IV - Management Comments

Department of the Army Comments

Final Report
Reference



Office, Director of Information
Systems for Command, Control,
Communications, & Computers

DEPARTMENT OF THE ARMY
OFFICE OF THE SECRETARY OF THE ARMY
107 ARMY PENTAGON
WASHINGTON DC 20310-0107



SAIS-C4S

4 November 1994

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE, ATTN:
ASSISTANT INSPECTOR GENERAL FOR AUDITING, 400
ARMY NAVY DRIVE, ARLINGTON, VA 22202-2884

SUBJECT: Audit Report on Requirements Validation for
Telecommunications Services-Philadelphia Area (Project No. 4RD-
5033)

1. Reference memorandum, U.S. Army Audit Agency, SAB, 1 Sep 94.
2. The Army position is as follows:

DODIG FINDING: Discontinue Circuits. Circuits are identified in Appendix C of the report.

DODIG RECOMMENDATION: Recommend that the DISC4 require the user organization to initiate a Request for Service to disconnect the remaining circuit identified by footnote 8 in Appendix C (under Army).

ARMY RESPONSE:

NONCONCUR. Circuit UU971AT is the sole DDN gateway serving DDN customers at Ft. Dix and cannot be discontinued. A follow-up with Ms. Applegate, DOIM at Ft. Dix, found that a discontinue Request for Service (RFS) had been issued for UUK971AT, however, it was issued so that UUK971AT could be upgraded to a 56 KB circuit. DISA policy and procedures require a separate discontinue and start TSR, in as much that the circuit upgrade will be competed and may be awarded to another vendor. Therefore, circuit UUK971AT is still required and any savings projected by this recommended action must be deleted from the report.

NONCONCUR. Circuit UKAM7KT4 was discontinued effective 1 Jun 94, which was prior to the DODIG audit visit. The decision to discontinue UKAM7KT4 was made at the MACOM level, not as a result of the DODIG visit. Therefore, any savings projected by this recommended discontinue action must be deleted from the audit report.

NONCONCUR. Circuit UUED7YVG is still required by the users. A follow-up with Mr. Tom Wiggins/St. Louis and Ms. Vicky Remone/Philadelphia verified that the circuit is still required. Therefore, any savings projected by this recommended discontinue must be deleted from the audit report.

CONCUR. TSR action is in process to discontinue

UUBV7GSX.

Circuit
UUED7YVG
Page 9

Department of the Army Comments

SAIS-C4S

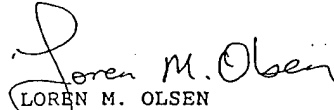
SUBJECT: Audit Report on Requirements Validation for
Telecommunications Services-Philadelphia Area (Project No. 4RD-
5033)

POTENTIAL MONETARY BENEFITS. NONCONCUR. Based upon
the above, with the exception of circuit UUBV7GSX, savings
projected based on recommended discontinue actions must be deleted
from the audit report.

3. SAIS-C4 POC is LTC Kerish, DSN 224-6166.

FOR THE DIRECTOR:

Encl



LOREN M. OLSEN

Colonel, GS

Deputy Director, C4 Modernization
and Integration

CF:

SAAG-PRF-E

HQ, FORSCOM ATTN: AFCS-IR

Department of the Navy Comments



THE ASSISTANT SECRETARY OF THE NAVY
Research Development and Acquisition
1000 Navy Pentagon
Washington DC 20350-1000

DEC 1 1994

MEMORANDUM FOR THE DEPUTY ASSISTANT INSPECTOR GENERAL
FOR AUDITING, DODIG

Subj: DRAFT AUDIT REPORT ON REQUIREMENTS VALIDATION FOR
TELECOMMUNICATIONS SERVICES - PHILADELPHIA AREA
(PROJECT NO. 4RD-5033)

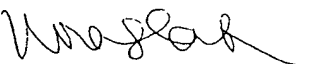
Ref: (a) DODIG memo of 30 Aug 94

Encl: (1) Circuits Action List

I am responding to the draft audit report forwarded by reference (a). This audit was made in response to a referral from the Defense Criminal Investigative Service. The referral discussed an allegation that a telecommunications vendor in Philadelphia, Pennsylvania, was charging the Department of Defense for telephone lines no longer in service. The allegation was unsubstantiated. However, in determining whether this allegation had merit, single and multichannel circuits at six Department of Defense installations in the Philadelphia metropolitan area were evaluated. Of the 328 Defense Communications System circuits evaluated, 55 circuits were determined to be no longer required. The Navy has responsibility for 31 of these circuits.

During the audit, nine of the 31 Navy circuits considered excessive by the Department of Defense Inspector General were terminated. Enclosure (1) lists actions completed and planned for the remaining 22 Navy circuits. We will closely track progress on terminating service on these circuits.

The Department of the Navy agrees with the potential monetary benefits as stated and identified in the subject audit report.


Nora Slatkin

Copy to:
NAVINGEN
NAVCOMPT (NCB-53)

REQUIREMENTS VALIDATION FOR TELECOMM SERVICES - PHILADELPHIA AREA (PROJ NO. 4RD-5033) CIRCUITS RECOMMENDED FOR TERMINATION

PAGE	CCSD	PDC	CSA	IG RECOMMENDATION	ACTION/TAKEN	MRC	ANNUAL
17	BABV4A66	CHABPF	LDSW X 00074	TERMINATION	USER TASKED TO TERMINAT	342	4,104
17	BUED7AUL	CHAGPF	USTS D 00335 001	TERMINATION	USER TASKED TO TERMINAT	973	11,676
17	BUED7CA5	CHA3DC	ABID 22987	TERMINATION	USER TASKED TO TERMINAT	793	9,516
17	BUED7E4J	GAGLX9	ABID 39069	TERMINATION	USER TASKED TO TERMINAT	891	10,692
17	BUED7EX5	CHAHPF	AT D 16972	TERMINATION	USER TASKED TO TERMINAT	979	11,748
17	BABV7FSL	CHABPF	LDSW X 00075	TERMINATION	USER TASKED TO TERMINAT	342	4,104
17	BABV7FSZ	CHABPF	LDSW X 00078	TERMINATION	USER TASKED TO TERMINAT	342	4,104
17	BUED7KJ6	CHAGPF	SNNT D 84966	TERMINATION	USER TASKED TO TERMINAT	435	5,220
18	BUED7KKS	CHAGPF	SNNT D 84962	TERMINATION	USER TASKED TO TERMINAT	596	7,152
18	BUED7KKW	CHAGPF	SNNT D 84963	TERMINATION	USER TASKED TO TERMINAT	596	7,152
18	BUED7NSY	CHA3DC	AT D 89701 023	TERMINATION	DISC 11/94	778	9,336
18	BUED7VW8	CHA3F9	AT W 89706 550	TERMINATION	USER TASKED TO TERMINAT	814	9,768
			CODXOC Y 47451 882	TERMINATION	USER TASKED TO TERMINAT	6	72
18	BUED7Y6M	CHAGFF	3FDDJ670439	TERMINATION	DISC 08/94	0	0
18	BUED7Y9W	CHAGFF	DISN D 007Y9W	TERMINATION	USER TASKED TO TERMINAT	0	0
18	BUBV7TS6	CHABPF	USTS X 00607 001	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TS8	CHABPF	USTS X 00607 002	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TS9	CHABPF	USTS X 00607 003	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TTB	CHABPF	USTS X 00607 004	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TTC	CHABPF	USTS X 00607 005	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TTE	CHABPF	USTS X 00607 006	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TTF	CHABPF	USTS X 00607 007	TERMINATION	USER TASKED TO TERMINAT	310	3,720
18	BUBV7TTG	CHABPF	USTS X 00607 008	TERMINATION	USER TASKED TO TERMINAT	310	3,720

30 SEP 94

Enclosure 1

Department of the Air Force Comments



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE



10 NOV 1994

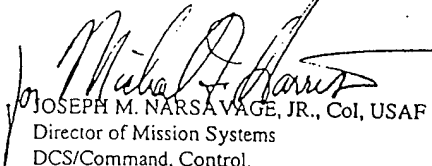
MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: HQ USAF/SCM
1250 Air Force Pentagon
Washington, DC 20330-1250

SUBJECT: Audit Report on Requirements Validation for Telecommunications Services -
Philadelphia Area (Project No. 4RD-5033)

This is in reply to your memorandum requesting the Assistant Secretary of the
Air Force (Financial Management and Comptroller) to provide Air Force comments on
subject report.

After review of audit findings and recommendations, the Air Force concurs with the
report as written. HQ USAF/SCMI point of contact is Mr David Shelly, (703) 697-2732.


JOSEPH M. NARSAVAGE, JR., Col, USAF
Director of Mission Systems
DCS/Command, Control,
Communications, and Computers

cc: SAF/FMPF
HQ USAF/SCXX

Defense Logistics Agency Comments



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

3 NOV 1994

DDAI

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING,
DEPARTMENT OF DEFENSE

SUBJECT: OIG Draft Report on *"Requirements Validation for Telecommunications
Services - Philadelphia Area"*, (Project No. 4RD-5033)

This is in response to your 30 August 1994 request.


JACQUELINE G. BRYANT
Chief, Internal Review Office

1 Encl

cc:
CA

Defense Logistics Agency Comments

TYPE OF REPORT: AUDIT

DATE OF POSITION: 03 Oct 94

PURPOSE OF INPUT: INITIAL POSITION

AUDIT TITLE AND NO: Draft Report on Requirements Validation for
Telecommunications Services - Philadelphia
Area (Project No. 4RD-5033)

RECOMMENDATION 3: We recommend that the Director, Defense Logistics Agency, require user organizations to initiate Requests for Service to disconnect the remaining 12 circuits identified by footnotes 8 and 28 in Appendix C (under Defense Logistics Agency).

DLA COMMENTS: DLA partially concurs. DPSC is scheduled to process additional disconnect Telecommunications Service Requests (TSR) on most of the remaining circuitry. The BRAC project has delayed this process. All circuits were reviewed and revalidated (R&R) during the June 1993 timeframe. Due to consolidation of Defense Contract Management Districts, circuits were being re-evaluated to determine whether a valid need still exists to retain any of the circuits.

The AT&T wideband circuits and equipment were transferred to DISA effective 1 Oct 93. These services are supporting the backbone of the Defense Information Systems Network (DISN) and may not be disconnected at this time. DPSC will provide follow-on reporting.

DISPOSITION:

- (X) Action is ongoing. Estimated Completion Date: 30 Dec 94
- () Action is considered complete.

INTERNAL MANAGEMENT CONTROL WEAKNESSES:

- () Nonconcur.
- (X) Concur; however, weakness is not considered material.
- () Concur; weakness is material and will be reported in the DLA Annual Statement of Assurance.

MONETARY BENEFITS: FY95 \$313,437.00

DLA COMMENTS: N/A

ESTIMATED REALIZATION DATE: 30 Dec 94

AMOUNT REALIZED: \$141,204.00

DATE BENEFITS REALIZED: 01 Oct 94

Audit Team Members

This report was prepared by the Readiness and Operational Support Directorate, Office of the Assistant Inspector General for Auditing, Department of Defense.

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INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Requirements Validation for Telecommunications Services-Philadelphia Area

B. DATE Report Downloaded From the Internet: 02/14/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
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D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ Preparation Date 02/14/99

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.